



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

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David A. Vaudt, CPA
Auditor of State

NEWS RELEASE

FOR RELEASE _____

March 25, 2003

Contact: Andy Nielsen
515/281-5515

The Office of Auditor of State today released an audit report on Clinton County, Iowa.

The County had local tax revenue of \$49,111,605 for the year ended June 30, 2002, which included \$3,776,804 in tax credits from the state. The County forwarded \$40,601,249 of the local tax revenue to the townships, school districts, cities and other taxing bodies in the County.

The County retained \$8,510,356 of the local tax revenue to finance County operations, a two percent increase from the prior year. Other revenues included \$6,281,761 from the state, including indirect federal funding, \$1,065,866 from direct federal grants and entitlements, \$1,253,115 in local option sales tax, \$144,940 in gaming wager tax and \$483,608 in interest on investments.

Expenditures for County operations totaled \$22,857,167, a six percent increase from the prior year. Expenditures included \$6,138,493 for mental health, \$4,800,166 for public safety and \$4,118,960 for roads and transportation. The significant increase in expenditures is primarily due to increases in secondary roads department equipment purchases and mental health services.

A copy of the audit report is available for review in the office of the Auditor of State and the County Auditor's office.

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CLINTON COUNTY
INDEPENDENT AUDITOR'S REPORTS
FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2002

Table of Contents

	<u>Page</u>
Officials	3
Independent Auditor's Report	5-6
General Purpose Financial Statements:	<u>Exhibit</u>
Combined Balance Sheet – All Fund Types and Account Groups	A 8-11
Combined Statement of Revenues, Expenditures and Changes in Fund Balances – All Governmental Fund Types and Expendable Trust Funds	B 12-13
Comparison of Receipts, Disbursements and Changes in Balances – Actual to Budget (Cash Basis) – All Governmental Fund Types and Expendable Trust Funds	C 14-15
Combined Statement of Revenues, Expenses and Changes in Retained Earnings (Deficit)/Fund Balance – Proprietary Fund Types and Non-expendable Trust Fund	D 16-17
Combined Statement of Cash Flows – Proprietary Fund Types and Non-expendable Trust Fund	E 18-19
Notes to Financial Statements	20-33
Supplemental Information:	<u>Schedule</u>
General Fund:	
Statement of Revenues, Expenditures and Changes in Fund Balance	1 37-39
Statement of Expenditures	2 40-43
Special Revenue Funds:	
Combining Balance Sheet	3 44-45
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	4 46-57
Trust and Agency Funds:	
Combining Balance Sheet	5 58
Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Expendable Trust Funds	6 59
Combining Balance Sheet – Agency Funds	7 60-63
Combining Statement of Changes in Assets and Liabilities – Agency Funds	8 64-67
Comparison of Taxes and Intergovernmental Revenue	9 68
Schedule of Expenditures of Federal Awards	10 69-70
Independent Auditor's Report on Compliance and on Internal Control over Financial Reporting	71-72
Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance	73-74
Schedule of Findings and Questioned Costs	75-79
Staff	80

Clinton County

Officials

Name	Title	Term Expires
Jill Davisson	Board of Supervisors	Jan 2003
Lewis Todtz	Board of Supervisors	Jan 2003
Grant Wilke	Board of Supervisors	Jan 2005
Charles Sheridan	County Auditor	Jan 2005
Rhonda McIntyre	County Treasurer	Jan 2003
Wayne Wilke	County Recorder	Jan 2003
Rick Lincoln	County Sheriff	Jan 2005
Michael Wolf	County Attorney	Jan 2003
Paul Hilmers	County Assessor	Jan 2004
John Moreland	City Assessor	Jan 2006

Clinton County



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Independent Auditor's Report

To the Officials of Clinton County:

We have audited the accompanying general purpose financial statements, listed as exhibits in the table of contents of this report, of Clinton County, Iowa, as of and for the year ended June 30, 2002. These general purpose financial statements are the responsibility of Clinton County's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards, Chapter 11 of the Code of Iowa, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards and provisions require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Clinton County at June 30, 2002 and the results of its operations and cash flows of its proprietary fund types and non-expendable trust fund for the year then ended in conformity with U.S. generally accepted accounting principles. Also, the Comparison of Receipts, Disbursements and Changes in Balances - Actual to Budget (Cash Basis) presents fairly, in all material respects, the cash transactions and the legally adopted budget of the governmental fund types and expendable trust fund of Clinton County for the year ended June 30, 2002.

As discussed in Note 12 to the financial statements, Clinton County intends to implement Governmental Accounting Standards Board Statement Number 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments; Statement Number 37, Basic Financial Statements - and Management's Discussion and Analysis - For State and Local Governments: Omnibus; and Statement Number 38, Certain Financial Statement Note Disclosures, for the fiscal year ending June 30, 2003. The effects of these statements are expected to significantly impact the presentation of the County's financial statements and related notes in the year of implementation. The revised requirements will include the use of the economic resources measurement focus and full accrual accounting, as well as an analytical overview of the County's financial activities in the Management's Discussion and Analysis introduction to the basic financial statements.

In accordance with Government Auditing Standards, we have also issued our reports dated January 30, 2003 on our consideration of Clinton County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. Those reports are an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. We previously audited, in accordance with the standards referred to in the second paragraph of this report, the general purpose financial statements for the three years ended June 30, 2001 (none of which are presented herein) and expressed unqualified opinions on those financial statements. The supplemental information included in Schedules 1 through 10, including the Schedule of Expenditures of Federal Awards required by U.S. Office of Management and Budget (OMB) Circular A-133, is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in our audit of the aforementioned financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

January 30, 2003

Financial Statements

Clinton County
Combined Balance Sheet
All Fund Types and Account Groups
June 30, 2002

	Governmental Fund Types	
	General	Special Revenue
Assets and Other Debits		
Cash and pooled investments:		
County Treasurer	\$ 5,884,635	4,408,745
Other County officials	-	-
Receivables:		
Property tax:		
Delinquent	25,182	12,624
Succeeding year	5,502,000	3,809,000
Interest and penalty on property tax	165,665	-
Accounts	5,872	1,669
Accrued interest	4,045	-
Special assessments:		
Delinquent	-	-
Succeeding year	-	-
Due from other funds (note 6)	97,421	16,122
Due from other governments	293,082	680,110
Inventories	-	284,721
Property and equipment, net of accumulated depreciation (note 3)	-	-
Amount to be provided for retirement of general long-term debt	-	-
Total assets and other debits	\$11,977,902	9,212,991

Proprietary Fund Types		Fiduciary	Account Groups		Total
Enterprise	Internal Service	Fund Type Trust and Agency	General Fixed Assets	General Long-Term Debt	(Memorandum Only)
11,775	253,753	3,398,243	-	-	13,957,151
-	-	106,541	-	-	106,541
-	-	189,201	-	-	227,007
-	-	39,252,000	-	-	48,563,000
-	-	-	-	-	165,665
-	1,400	60,254	-	-	69,195
-	-	34	-	-	4,079
-	-	517,474	-	-	517,474
-	-	208,000	-	-	208,000
-	-	4,056	-	-	117,599
-	-	-	-	-	973,192
-	-	-	-	-	284,721
292,283	-	-	19,632,202	-	19,924,485
-	-	-	-	300,743	300,743
304,058	255,153	43,735,803	19,632,202	300,743	85,418,852

Clinton County
Combined Balance Sheet
All Fund Types and Account Groups
June 30, 2002

	Governmental Fund Types	
	General	Special Revenue
Liabilities, Fund Equity and Other Credits		
Liabilities:		
Accounts payable	\$ 269,930	793,233
Salaries and benefits payable	110,319	39,828
Due to other funds (note 6)	5,894	13,360
Due to other governments (note 7)	49,567	231,182
Trusts payable	-	-
Deferred revenue:		
Succeeding year property tax	5,502,000	3,809,000
Other	193,163	12,279
Compensated absences	74,083	41,722
Total liabilities	6,204,956	4,940,604
Fund equity and other credits:		
Investment in general fixed assets	-	-
Contributed capital (note 10)	-	-
Unreserved retained earnings (deficit)	-	-
Fund balances:		
Reserved for:		
Supplemental levy purposes	63,291	-
Inventories	-	284,721
Vietnam Veterans Memorial	-	-
Unreserved:		
Designated for underground tank clean-up	1,000,000	-
Designated for courthouse renovation	1,500,000	-
Undesignated	3,209,655	3,987,666
Total fund equity and other credits	5,772,946	4,272,387
Total liabilities, fund equity and other credits	\$11,977,902	9,212,991

See notes to financial statements.

Proprietary Fund Types		Fiduciary	Account Groups		Total
Enterprise	Internal Service	Fund Type Trust and Agency	General Fixed Assets	General Long-Term Debt	(Memorandum Only)
5,074	208,359	10,440	-	-	1,287,036
1,487	-	7,521	-	-	159,155
-	-	98,345	-	-	117,599
771	-	43,553,587	-	-	43,835,107
-	-	17,736	-	-	17,736
-	-	-	-	-	9,311,000
-	-	-	-	-	205,442
746	-	12,326	-	300,743	429,620
8,078	208,359	43,699,955	-	300,743	55,362,695
-	-	-	19,632,202	-	19,632,202
405,655	-	-	-	-	405,655
(109,675)	46,794	-	-	-	(62,881)
-	-	-	-	-	63,291
-	-	-	-	-	284,721
-	-	5,000	-	-	5,000
-	-	-	-	-	1,000,000
-	-	-	-	-	1,500,000
-	-	30,848	-	-	7,228,169
295,980	46,794	35,848	19,632,202	-	30,056,157
304,058	255,153	43,735,803	19,632,202	300,743	85,418,852

Clinton County

**Combined Statement of Revenues, Expenditures and
Changes in Fund Balances – All Governmental Fund Types
and Expendable Trust Funds**

Year ended June 30, 2002

	<u>Governmental Fund Types</u>		<u>Fiduciary Fund Type</u>	<u>Total</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Expendable Trust</u>	<u>(Mem orandum Only)</u>
Revenues:				
Property and other County tax	\$ 5,636,214	3,580,314	-	9,216,528
Interest and penalty on property tax	140,436	-	-	140,436
Intergovernmental	1,988,865	6,589,653	211,559	8,790,077
Licenses and permits	50,413	3,915	-	54,328
Charges for service	922,343	72,866	-	995,209
Use of money and property	567,634	12,249	-	579,883
Fines, forfeitures and defaults	1,542	-	-	1,542
Miscellaneous	77,153	18,552	12,067	107,772
Total revenues	9,384,600	10,277,549	223,626	19,885,775
Expenditures:				
Operating:				
Public safety	4,791,356	8,810	-	4,800,166
Court services	124,388	37,569	-	161,957
Physical health and education	600,551	66,350	-	666,901
Mental health	-	6,138,493	-	6,138,493
Social services	779,633	-	-	779,633
County environment	744,362	168,648	-	913,010
Roads and transportation	-	4,118,960	-	4,118,960
State and local government services	748,843	10,528	-	759,371
Interprogram services	2,218,739	-	7,067	2,225,806
Non-program	-	97,865	-	97,865
Capital projects	1,721,518	245,304	228,183	2,195,005
Total expenditures	11,729,390	10,892,527	235,250	22,857,167
Deficiency of revenues under expenditures	(2,344,790)	(614,978)	(11,624)	(2,971,392)

Clinton County

**Combined Statement of Revenues, Expenditures and
Changes in Fund Balances – All Governmental Fund Types
and Expendable Trust Funds**

Year ended June 30, 2002

	<u>Governmental Fund Types</u>		<u>Fiduciary Fund Type</u>	<u>Total</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Expendable Trust</u>	<u>(Memorandum Only)</u>
Other financing sources (uses):				
Sale of general fixed assets	15,552	7,679	-	23,231
Operating transfers in	-	697,711	23,646	721,357
Operating transfers out	(118,526)	(602,831)	-	(721,357)
Total other financing sources (uses)	(102,974)	102,559	23,646	23,231
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(2,447,764)	(512,419)	12,022	(2,948,161)
Fund balances beginning of year	8,220,710	4,745,287	13,745	12,979,742
Increase in reserve for inventories	-	39,519	-	39,519
Fund balances end of year	\$ 5,772,946	4,272,387	25,767	10,071,100

See notes to financial statements.

Clinton County

Comparison of Receipts, Disbursements and
Changes in Balances – Actual to Budget (Cash Basis)
All Governmental Fund Types and Expendable Trust Funds

Year ended June 30, 2002

	Actual	Less Funds not Required to be Budgeted	Net
Receipts:			
Property and other County tax	\$ 9,155,885	-	9,155,885
Interest and penalty on property tax	143,318	-	143,318
Intergovernmental	8,539,646	-	8,539,646
Licenses and permits	55,288	-	55,288
Charges for service	987,329	-	987,329
Use of money and property	619,479	340	619,139
Fines, forfeitures and defaults	1,542	-	1,542
Miscellaneous	110,340	-	110,340
Total receipts	19,612,827	340	19,612,487
Disbursements:			
Public safety	4,755,892	-	4,755,892
Court services	160,204	-	160,204
Physical health and education	644,427	-	644,427
Mental health	5,841,222	-	5,841,222
Social services	787,200	-	787,200
County environment	925,858	-	925,858
Roads and transportation	4,040,544	-	4,040,544
State and local government services	761,223	-	761,223
Interprogram services	2,235,322	-	2,235,322
Non-program	91,951	23,343	68,608
Capital projects	2,153,496	-	2,153,496
Total disbursements	22,397,339	23,343	22,373,996
Deficiency of receipts under disbursements	(2,784,512)	(23,003)	(2,761,509)
Other financing sources, net	23,231	-	23,231
Deficiency of receipts and other financing sources under disbursements and other financing uses	(2,761,281)	(23,003)	(2,738,278)
Balance beginning of year	13,076,372	37,484	13,038,888
Balance end of year	\$ 10,315,091	14,481	10,300,610

See notes to financial statements.

Amended Budget	Variance - Favorable (Unfavorable)	Net as % of Amended Budget
9,072,119	83,766	101%
99,700	43,618	144%
8,942,858	(403,212)	95%
58,310	(3,022)	95%
729,480	257,849	135%
822,202	(203,063)	75%
8,000	(6,458)	19%
25,510	84,830	433%
19,758,179	(145,692)	99%

5,138,738	382,846	93%
221,752	61,548	72%
644,996	569	100%
6,577,779	736,557	89%
971,951	184,751	81%
980,091	54,233	94%
4,528,805	488,261	89%
860,600	99,377	88%
2,611,848	376,526	86%
122,600	53,992	56%
2,492,194	338,698	86%
25,151,354	2,777,358	89%

(5,393,175)

16,000

(5,377,175)

12,998,305

7,621,130

Exhibit D**Clinton County****Combined Statement of Revenues, Expenses and Changes in
Retained Earnings (Deficit)/Fund Balance****Proprietary Fund Types and Non-expendable Trust Fund****Year ended June 30, 2002**

	Proprietary Fund Types		Fiduciary Fund Type	
	Internal		Non-expendable	
	Service -		Trust Fund -	
	Enterprise -	Employee	Vietnam	
	Rock Creek	Group	Veterans	
	Marina	Health	Memorial	Total
Operating revenues:				
Reimbursements from operating funds	\$ -	1,413,200	-	1,413,200
Reimbursements from others	-	233,287	-	233,287
Stop loss insurance recoveries	-	160,626	-	160,626
FEMA reimbursement	38,553	-	-	38,553
Camping fees	29,404	-	-	29,404
Boat rentals	6,043	-	-	6,043
Other recreation fees	12,922	-	-	12,922
Concession fees	21,162	-	-	21,162
Miscellaneous	6,770	39,830	-	46,600
Total operating revenues	114,854	1,846,943	-	1,961,797
Operating expenses:				
Administration fees	-	375,212	-	375,212
Medical and health services	-	1,339,448	-	1,339,448
Salaries	47,797	-	-	47,797
Employee benefits	12,878	-	-	12,878
Supplies	21,327	-	-	21,327
Utilities	11,037	-	-	11,037
Repair and improvements	29,563	-	-	29,563
Depreciation	22,517	-	-	22,517
Miscellaneous	3,935	14,347	340	18,622
Total operating expenses	149,054	1,729,007	340	1,878,401
Operating income (loss)	(34,200)	117,936	(340)	83,396

Clinton County
Combined Statement of Revenues, Expenses and Changes in
Retained Earnings (Deficit)/Fund Balance

Proprietary Fund Types and Non-expendable Trust Fund

Year ended June 30, 2002

	Proprietary Fund Types		Fiduciary Fund Type	
	Enterprise - Rock Creek Marina	Internal Service - Employee Group Health	Non-expendable Trust Fund - Vietnam Veterans Memorial	Total
Non-operating revenues:				
Interest revenue	1,217	6,932	306	8,455
Miscellaneous	300	-	-	300
Total non-operating revenues	1,517	6,932	306	8,755
Contribution of property and equipment	14,883	-	-	14,883
Net income (loss)	(17,800)	124,868	(34)	107,034
Add back depreciation on assets acquired with contributed capital	18,327	-	-	18,327
Retained earnings (deficit)/fund balance beginning of year, as restated (note 13)	(110,202)	(78,074)	10,115	(178,161)
Retained earnings (deficit)/fund balance end of year	\$ (109,675)	46,794	10,081	(52,800)

See notes to financial statements.

Exhibit E

Clinton County
Combined Statement of Cash Flows
Proprietary Fund Types and Non-expendable Trust Fund
Year ended June 30, 2002

	Proprietary Fund Types		Fiduciary Fund Type	
		Internal	Non-expendable	
	Enterprise -	Service -	Trust Fund -	
	Rock Creek	Employee	Vietnam	
	Marina	Group	Veterans	
		Health	Memorial	Total
Cash flows from operating activities:				
Cash received from operating fund	\$ -	1,413,200	-	1,413,200
Cash received from employees and others	-	233,287	-	233,287
Cash received from stop loss insurance recoveries	-	160,626	-	160,626
Cash received from FEMA	38,553	-	-	38,553
Cash received from camping fees	29,404	-	-	29,404
Cash received from boat rentals	6,043	-	-	6,043
Cash received from other recreation fees	12,922	-	-	12,922
Cash received from concession fees	21,162	-	-	21,162
Cash received from miscellaneous operations	6,770	38,430	-	45,200
Cash payments for administration fees	-	(389,559)	-	(389,559)
Cash payments to employees for services	(48,018)	-	-	(48,018)
Cash payments to suppliers for services	(95,046)	(1,397,885)	(340)	(1,493,271)
Net cash provided (used) by operating activities	(28,210)	58,099	(340)	29,549
Cash flows from capital and related financing activities:				
Capital contributions from other funds	8,000	-	-	8,000
Miscellaneous	300	-	-	300
Net cash provided by capital and related financing activities	8,300	-	-	8,300
Cash flows from investing activities:				
Interest on investments	1,217	6,932	306	8,455
Net increase (decrease) in cash and cash equivalents	(18,693)	65,031	(34)	46,004
Cash and cash equivalents at beginning of year	30,468	188,722	10,115	229,305
Cash and cash equivalents at end of year	\$ 11,775	253,753	10,081	275,309

Clinton County
Combined Statement of Cash Flows
Proprietary Fund Types and Non-expendable Trust Fund
Year ended June 30, 2002

	Proprietary Fund Types		Fiduciary Fund Type	
	Enterprise - Rock Creek Marina	Internal Service - Employee Group Health	Non-expendable Trust Fund - Vietnam Veterans Memorial	Total
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (34,200)	117,936	(340)	83,396
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	22,517	-	-	22,517
Changes in asset and liabilities:				
(Increase) in accounts receivable	-	(1,400)	-	(1,400)
Increase in due to other governments	564	-	-	564
(Decrease) in accounts payable	(16,844)	(58,437)	-	(75,281)
(Decrease) in salaries and benefits payable	(288)	-	-	(288)
Increase in compensated absences	41	-	-	41
Net cash provided (used) by operating activities	\$ (28,210)	58,099	(340)	29,549

See notes to financial statements.

Clinton County
Notes to Financial Statements
June 30, 2002

(1) Summary of Significant Accounting Policies

Clinton County is a political subdivision of the State of Iowa and operates under the Home Rule provisions of the Constitution of Iowa. The County operates under the Board of Supervisors form of government. Elections are on a partisan basis. Other elected officials operate independently with the Board of Supervisors. These officials are the Auditor, Treasurer, Recorder, Sheriff, and Attorney. The County provides numerous services to citizens, including law enforcement, health and social services, parks and cultural activities, planning and zoning, roadway construction and maintenance, and general administrative services.

A. Reporting Entity

For financial reporting purposes, Clinton County has included all funds, organizations, account groups, agencies, boards, commissions and authorities. The County has also considered all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the County to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the County.

These financial statements present Clinton County (the primary government) and its component units. The component units discussed below are included in the County's reporting entity because of the significance of their operational or financial relationships with the County.

Blended Component Units – The following component units are entities which are legally separate from the County, but are so intertwined with the County that they are, in substance, the same as the County. They are reported as part of the County and blended into the appropriate funds.

Eighteen drainage districts have been established pursuant to Chapter 468 of the Code of Iowa for the drainage of surface waters from the agricultural and other lands or the protection of such lands from overflow. Although these districts are legally separate from the County, they are controlled, managed and supervised by the Clinton County Board of Supervisors. The drainage districts are reported as a Special Revenue Fund. The County has other drainage districts that are managed and supervised by elected trustees. The financial transactions of these districts are reported as Agency Funds. Financial information of the individual drainage districts can be obtained from the Clinton County Auditor's office.

Jointly Governed Organizations – The County also participates in several jointly governed organizations that provide goods or services to the citizenry of the County but do not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. The County Board of Supervisors are members of or appoint representatives to the following boards and commissions: Clinton County Assessor's Conference Board, Clinton County Emergency Management Commission, and Clinton County Joint E911 Service Board. Financial transactions of these organizations are included in the County's financial statements only to the extent of the County's fiduciary relationship with the organization and, as such, are reported in an Agency Fund of the County.

The County also participates in the following jointly governed organizations established pursuant to Chapter 28E of the Code of Iowa: County Case Management Services, Clinton County Communications Commission and the Clinton County Area Solid Waste Agency.

B. Fund Accounting

The accounts of the County are organized on the basis of funds and account groups, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, fund balance, revenue and expenditures or expenses. The various funds and account groups and their designated purposes are as follows:

Governmental Funds

General Fund – The General Fund is the general operating fund of the County. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. From the fund are paid the general operating expenses, the fixed charges and the capital improvement costs that are not paid from other funds.

Special Revenue Funds – The Special Revenue Funds are used to account for revenues derived from specific sources which are usually required by law or regulation to be accounted for in separate funds.

Proprietary Funds

Enterprise Fund – The Enterprise Fund is utilized to account for the acquisition, operation and maintenance of governmental facilities and services that are supported by user charges.

Internal Service Fund – The Internal Service Fund is utilized to account for the financing of goods or services purchased by one department of the County and provided to other departments or agencies on a cost-reimbursement basis.

Fiduciary Funds

Trust Funds – The Trust Funds are used to account for assets held by the County in a trustee capacity. These include expendable trust and non-expendable trust funds. Expendable Trust Funds are accounted for in essentially the same manner as Governmental Funds. Non-expendable Trust Funds are accounted for in essentially the same manner as Proprietary Funds.

Agency Funds – The Agency Funds are used to account for assets held by the County as an agent for individuals, private organizations, certain jointly governed organizations, other governmental units and/or other funds. Agency Funds are custodial in nature, assets equal liabilities, and do not involve measurement of results of operations.

Account Groups

General Fixed Assets – This account group is established to account for the general fixed assets of the County.

General Long-Term Debt – This account group is established to account for long-term debt of the County. Long-term liabilities expected to be financed from Governmental Funds are accounted for in this account group, not in the Governmental Funds.

C. Measurement Focus

Governmental Funds and Expendable Trust Funds are accounted for on a spending or “financial flow” measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance is considered a measure of “available spendable resources.” Governmental Fund and Expendable Trust Fund operating statements present increases, revenues and other financing sources, and decreases, expenditures and other financing uses in net current assets. Accordingly, they are said to present a summary of sources and uses of “available spendable resources” during a period.

Proprietary Funds and Non-expendable Trust Funds are accounted for on a cost of services or “capital maintenance” measurement focus. This means that all assets and all liabilities, whether current or non-current, associated with their activity are included on their balance sheets. Their reported fund equity, net total assets, is segregated into contributed capital and retained earnings components. Proprietary Fund and Non-expendable Trust Fund type operating statements present increases (revenue) and decreases (expenses) in net total assets.

In reporting the financial activity of its Proprietary Funds and Non-expendable Trust Fund, the County applies all applicable GASB pronouncements as well as the following pronouncements issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee on Accounting Procedure.

D. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All Governmental Funds and Expendable Trust Funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when they become both measurable and available. Available means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current

period. Expenditures are recorded when the liability is incurred, except for unmatured interest on general long-term debt, which is recognized when due. Disbursements for the purchase of assets providing future benefits are recorded as expenditures at time of purchase.

Property taxes, intergovernmental revenue (shared revenues, grants and reimbursements from other governments) and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the County.

All Proprietary Funds and Non-expendable Trust Funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned and their expenses are recognized when they are incurred.

The assets and liabilities of the Agency Funds are accounted for using the modified accrual basis of accounting.

The County maintains its financial records on the cash basis. The financial statements of the County are prepared by making memorandum adjusting entries to the cash basis financial records.

E. Assets, Liabilities and Fund Equity

The following accounting policies are followed in preparing the combined balance sheet:

Cash, Pooled Investments and Cash Equivalents – The cash balances of most County funds are pooled and invested. Interest earned on investments is recorded in the General Fund, unless otherwise provided by law. Investments are stated at fair value except for non-negotiable certificates of deposit which are stated at cost.

For purposes of the statement of cash flows, all short-term cash investments that are highly liquid are considered to be cash equivalents. Cash equivalents are readily convertible to known amounts of cash, and at the day of purchase, they have a maturity date no longer than three months.

Property Tax Receivable – Property tax in Governmental Funds is accounted for using the modified accrual basis of accounting.

Property tax receivable is recognized in these funds on the levy or lien date, which is the date that the tax asking is certified by the County Board of Supervisors. Delinquent property tax receivable represents unpaid taxes for the current and prior years. The succeeding year property tax receivable represents taxes certified by the Board of Supervisors to be collected in the next fiscal year for the purposes set out in the budget for the next year. By statute, the Board of Supervisors is required to certify its budget in March of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is deferred and will not be recognized as revenue until the year for which it is levied.

Property tax revenue recognized in these funds became due and collectible in September and March of the fiscal year with a 1½% per month penalty for delinquent payments; is based on January 1, 2000 assessed property valuations; is for the tax accrual period July 1, 2001 through June 30, 2002 and reflects the tax asking contained in the budget certified by the County Board of Supervisors in March, 2001.

Interest and Penalty on Property Tax Receivable – Interest and penalty on property tax receivable represents the amount of interest and penalty that was due and payable but has not been collected.

Special Assessments Receivable – Special assessments receivable represent the amounts due from individuals for work done which benefits their property. These assessments are payable by individuals in not less than ten, nor more than twenty, annual installments. Each annual installment with interest on the unpaid balance is due on September 30 and is subject to the same interest and penalties as other taxes. Special assessments receivable represent assessments which are due and payable but have not been collected.

Due from and Due to Other Funds – During the course of its operations, the County has numerous transactions between funds. To the extent that certain transactions between funds had not been paid or received as of June 30, 2002, balances of interfund amounts receivable or payable have been recorded.

Due from Other Governments – Due from other governments represents amounts due from the State of Iowa, various shared revenues, grants and reimbursements from other governments.

Inventories – Inventories are valued at cost using the first-in, first-out method. Inventories in the Special Revenue Funds consist of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are purchased. Reported inventories are equally offset by a fund balance reserve which indicates that they are not available to liquidate current obligations.

General Fixed Assets – General fixed assets are recorded as expenditures in the Governmental Funds and are capitalized (recorded and accounted for) in the General Fixed Assets Account Group. Assets in this account group are recorded at historical cost. Assets acquired by gift are accounted for at fair market value at the date of the gift. The General Fixed Assets Account Group excludes public domain or “infrastructure” general fixed assets such as roads, bridges, curbs, gutters, streets, sidewalks and similar assets that are immovable and of value only to the government.

In accordance with standards set forth by the Governmental Accounting Standards Board, depreciation expense is not recorded on the balance sheet for general fixed assets. At the time an asset is removed from service, the cost is removed from the General Fixed Assets Account Group. Maintenance and repairs are recorded as expenditures in the Governmental Funds as incurred and are not capitalized.

During the year ended June 30, 2002, no interest costs were capitalized since the County’s policy is not to capitalize interest costs on assets constructed or acquired with tax-exempt debt paid for from annual debt service tax levies.

Enterprise Fund

Enterprise Fund type property and equipment is accounted for at original cost. Contributed fixed assets are recorded at estimated fair market value at the time received.

Depreciation of all exhaustible fixed assets used by the Enterprise Fund is charged as an expense against its operations.

Accumulated depreciation is reported on the Enterprise Fund balance sheet. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Buildings	10 to 25 years
Equipment	3 to 30 years

The cost of repairs and maintenance is charged to expense, while the cost of renewals or substantial betterments is capitalized. The cost and accumulated depreciation of assets disposed of are deleted, with any gain or loss recorded in current operations.

Interest is capitalized on qualified Enterprise Fund assets acquired with certain tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period. Interest is not capitalized on assets constructed on behalf of the Enterprise Fund and acquired with tax-exempt debt paid for from annual debt service tax levies. During the year ended June 30, 2002, no interest costs were capitalized since there were no qualifying assets.

Due to Other Governments – Due to other governments represents taxes and other revenues collected by the County and payments for services which will be remitted to other governments.

Trusts Payable – Trusts payable represents amounts due to others which are held by various County officials in fiduciary capacities until the underlying legal matters are resolved.

Deferred Revenue – Although certain revenues are measurable, they are not available. Available means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue represents the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue consists of unspent grant proceeds, the succeeding year property tax receivable, as well as delinquent property tax receivables and other receivables not collected within sixty days after year end.

Compensated Absences – County employees accumulate a limited amount of earned but unused vacation hours for subsequent use or for payment upon termination, death or retirement. For the Agency Funds, this accumulation is recorded as a liability in the year earned. In the Governmental Funds, the cost of vacation payments expected to be liquidated currently are recorded as liabilities of the Governmental Fund Types. A liability has been recorded in the General Long-Term Debt Account Group representing the County's commitment to fund non-current compensated absences.

Vacation pay is accrued when incurred in the Proprietary Fund Types and is reported as a fund liability. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2002.

Unreserved Retained Earnings – The unreserved retained earnings of the Employee Group Health Fund is designated for anticipated future catastrophic losses of the County.

F. Budgets and Budgetary Accounting

In accordance with the Code of Iowa, the County Board of Supervisors annually adopts a budget on the cash basis following required public notice and hearing for all funds, except blended component units, enterprise, internal service, non-expendable trusts and agency funds, and appropriates the amount deemed necessary for each of the different County offices and departments. The budget may be amended during the year utilizing similar statutorily prescribed procedures. Encumbrances are not recognized on the cash basis budget and appropriations lapse at year end.

Formal and legal budgetary control is based upon 12 major classes of expenditures known as service areas, not by fund or fund type. These 12 service areas are: public safety, court services, physical health and education, mental health, social services, county environment, roads and transportation, state and local government services, interprogram services, non-program, debt service and capital projects. Service area disbursements required to be budgeted include disbursements for the general fund, special revenue funds, debt service fund, capital projects funds and expendable trust funds. Although the budget document presents service area disbursements by fund, the legal level of control is at the aggregated service area level, not at the fund or fund type level. Legal budgetary control is also based upon the appropriation to each office or department.

In addition, annual budgets are similarly adopted in accordance with the Code of Iowa by the appropriate governing body as indicated: for the County Extension Office by the County Agricultural Extension Council, for the County Assessor by the County Conference Board, for the E911 System by the Joint E911 Service Board and for Emergency Management Services by the County Emergency Management Commission.

Exhibit C is a comparison of cash basis receipts, disbursements and changes in balances with the cash basis budget, which is legally controlled by service area, not fund type. Operations and ending fund balances on the cash and modified accrual basis have been reconciled as follows:

	Governmental Fund Types					
	General			Special Revenue		
	Cash Basis	Accrual Adjust- ments	Modified Accrual Basis	Cash Basis	Accrual Adjust- ments	Modified Accrual Basis
Revenues	\$ 9,350,553	34,047	9,384,600	10,038,648	238,901	10,277,549
Expenditures	11,647,335	82,055	11,729,390	10,513,463	379,064	10,892,527
Net	(2,296,782)	(48,008)	(2,344,790)	(474,815)	(140,163)	(614,978)
Other financing sources (uses)	(102,306)	(668)	(102,974)	102,751	(192)	102,559
Beginning fund balances	8,283,723	(63,013)	8,220,710	4,780,809	(35,522)	4,745,287
Increase in reserve for inventories	-	-	-	-	39,519	39,519
Ending fund balances	\$ 5,884,635	(111,689)	5,772,946	4,408,745	(136,358)	4,272,387

	Fiduciary Fund Type			Total		
	Expendable Trust					
	Cash Basis	Accrual Adjust- ments	Modified Accrual Basis	Cash Basis	Accrual Adjust- ments	Modified Accrual Basis
Revenues	\$ 223,626	-	223,626	19,612,827	272,948	19,885,775
Expenditures	236,541	(1,291)	235,250	22,397,339	459,828	22,857,167
Net	(12,915)	1,291	(11,624)	(2,784,512)	(186,880)	(2,971,392)
Other financing sources (uses)	22,786	860	23,646	23,231	-	23,231
Beginning fund balances	11,840	1,905	13,745	13,076,372	(96,630)	12,979,742
Increase in reserve for inventories	-	-	-	-	39,519	39,519
Ending fund balances	\$ 21,711	4,056	25,767	10,315,091	(243,991)	10,071,100

G. Total (Memorandum Only)

The total column on the combined balance sheet and the combined statement of revenues, expenditures and changes in fund balances is captioned "Memorandum Only" to indicate that it is presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with U.S. generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

(2) Cash and Pooled Investments

The County's deposits in banks at June 30, 2002 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

The County is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Board of Supervisors; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

The County had no investments meeting the disclosure requirements of Governmental Accounting Standards Board Statement Number 3.

(3) Property and Equipment

A summary of changes in property and equipment comprising general fixed assets for the year ended June 30, 2002, is as follows:

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Land	\$ 1,077,605	235,072	-	1,312,677
Buildings	6,962,503	1,678,313	-	8,640,816
Equipment	8,853,446	894,271	69,008	9,678,709
Total	<u>\$ 16,893,554</u>	<u>2,807,656</u>	<u>69,008</u>	<u>19,632,202</u>

A summary of Enterprise Fund property and equipment for the year ended June 30, 2002, is as follows:

	Beginning Balance, as restated (note 13)	Additions	Deletions	Balance End of Year
Buildings	\$ 305,160	-	-	305,160
Equipment	80,713	978	(198)	81,493
Subtotal	<u>385,873</u>	<u>978</u>	<u>(198)</u>	<u>386,653</u>
Accumulated depreciation	(71,956)	(22,517)	103	(94,370)
Total	<u>\$ 313,917</u>	<u>(21,539)</u>	<u>(95)</u>	<u>292,283</u>

(4) Changes in General Long-Term Debt

A summary of changes in general long-term debt for the year ended June 30, 2002 is as follows:

	Compensated Absences
Balance beginning of year	\$ 296,985
Additions	<u>3,758</u>
Balance end of year	<u>\$ 300,743</u>

(5) Pension and Retirement Benefits

The County contributes to the Iowa Public Employees Retirement System (IPERS) which is a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by state statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, Iowa, 50306-9117.

Plan members are required to contribute 3.70% of their annual covered salary and the County is required to contribute 5.75% of annual covered payroll except for law

enforcement employees, in which case the percentages are 5.50% and 8.25%, respectively. Contribution requirements are set by state statute. The County's contributions to IPERS for the years ended June 30, 2002, 2001, and 2000 were \$438,057, \$407,682, and \$408,389, respectively, equal to the required contributions for each year.

(6) Due From and Due to Other Funds

The detail of interfund receivables and payables at June 30, 2002, is as follows:

Receivable Fund	Payable Fund	Amount
General	Trust and Agency:	
	County Recorder	\$ 26,805
	County Sheriff	46,869
	Auto License and Use Tax	23,747
Special Revenue:		
Secondary Roads	General	1,838
	Special Revenue:	
	Rural Services	13,360
County Recorder's Records Management	Trust and Agency:	
	County Recorder	924
Expendable Trust:		
Conservation Land Acquisition	General	<u>4,056</u>
Total		<u>\$ 117,599</u>

(7) Due to Other Governments

The County purchases services from other governmental units and also acts as a fee and tax collection agent for various governmental units. The Agency Fund collections also include accruals of property tax for the succeeding year. The tax collections are remitted to those governments in the month following collection. A summary of amounts due to other governments is as follows:

Fund	Description	Amount
General	Services	<u>\$ 49,567</u>
Special Revenue:		
Secondary Roads	Services	594
Resource Enhancement and Protection		747
Mental Health		<u>229,841</u>
		<u>231,182</u>
Enterprise:		
Rock Creek Marina	Services	<u>771</u>

Fund	Description	Amount
Trust and Agency:		
County Assessor	Collections	1,019,591
City Assessor		978,143
Schools		23,311,796
Community Colleges		1,021,969
Corporations		14,631,145
Auto License and Use Tax		722,524
Special Assessments		803,914
E911 Service Commission		419,586
All other		<u>644,919</u>
		<u>43,553,587</u>
Total		<u>\$43,835,107</u>

(8) Employee Group Health Plan

Clinton County's Employee Group Health Fund was established to account for the partial self funding of the County's health insurance benefit plan. The plan is funded by both employee and County contributions and is administered through a service agreement with Gallagher Bassett Services, Inc. The agreement is subject to automatic renewal provisions. The County assumes liability for claims up to the individual stop loss limitation of \$40,000. Claims in excess of coverage are insured through purchase of stop loss insurance.

Monthly payments of service fees and plan contributions to the Employee Group Health Fund are recorded as expenditures from the operating funds. Under the administrative services agreement, monthly payments of service fees and claims processed are paid to Gallagher Bassett Services, Inc. from the Employee Group Health Fund. The County records the plan assets and related liabilities of the Employee Group Health Fund as an Internal Service Fund. The County's contribution to the fund for the year ended June 30, 2002 was \$1,413,200.

Amounts payable from the Employee Group Health Fund at June 30, 2002 total \$208,359, which is for incurred but not reported (IBNR) and reported but not paid claims. The amounts are based on actuarial estimates of the amounts necessary to pay prior-year and current-year claims. A liability has been established based on the requirements of Governmental Accounting Standards Board Statement Number 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Settlements have not exceeded the stop-loss coverage in any of the past three years. Information on a reconciliation of changes in the aggregate liabilities for claims for the current year is as follows:

Unpaid claims at July 1, 2001	\$ 266,796
Incurred claims (including claims incurred but not reported at June 30, 2002)	1,339,448
Payment on claims during the fiscal year	<u>1,397,885</u>
Unpaid claims at June 30, 2002	<u>\$ 208,359</u>

(9) Risk Pool

Clinton County is a member in the Iowa Communities Assurance Pool, as allowed by Chapter 331.301 of the Code of Iowa. The Iowa Communities Assurance Pool (Pool) is a local government risk-sharing pool with over 400 members from various governmental entities throughout the State of Iowa. The Pool was formed in August 1986 for the purpose of managing and funding third-party liability claims against its members. The Pool provides coverage and protection in the following categories: general liability, automobile liability, automobile physical damage, public officials liability, police professional liability, property and inland marine. There have been no reductions in insurance coverage from prior years.

Each member's annual casualty contributions to the Pool fund current operations and provide capital. Annual operating contributions are those amounts necessary to fund, on a cash basis, the Pool's general and administrative expenses, claims, claims expenses and reinsurance expenses due and payable in the current year, plus all or any portion of any deficiency in capital. Capital contributions are made during the first six years of membership and are maintained to equal 300 percent of the total current members' basis rates or to comply with the requirements of any applicable regulatory authority having jurisdiction over the Pool.

The Pool also provides property coverage. Members who elect such coverage make annual operating contributions which are necessary to fund, on a cash basis, the Pool's general and administrative expenses and reinsurance premiums, all of which are due and payable in the current year, plus all or any portion of any deficiency in capital. Any year-end operating surplus is transferred to capital. Deficiencies in operations are offset by transfers from capital and, if insufficient, by the subsequent year's member contributions.

The County's property and casualty contributions to the risk pool are recorded as expenditures from its operating funds at the time of payment to the risk pool. The County's annual contributions to the Pool for the year ended June 30, 2002 were \$165,767.

The Pool uses reinsurance and excess risk-sharing agreements to reduce its exposure to large losses. The Pool retains general, automobile, police professional, and public officials' liability risks up to \$250,000 per claim. Claims exceeding \$250,000 are reinsured in an amount not to exceed \$1,750,000 per claim and \$5,000,000 in aggregate per year. For members requiring specific coverage from \$2,000,000 to \$15,000,000, such excess coverage is also reinsured. All property risks, including automobile physical damage, are also reinsured on an individual-member basis.

The Pool's intergovernmental contract with its members provides that in the event a casualty claim or series of claims exceeds the amount of risk-sharing protection provided by the member's risk-sharing certificate, or in the event that a series of casualty claims exhausts total members' equity plus any reinsurance and any excess risk-sharing recoveries, then payment of such claims shall be the obligation of the respective individual member. The County does not report a liability for losses in excess of reinsurance or excess risk-sharing recoveries unless it is deemed probable that such losses have occurred and the amount of such loss can be reasonably estimated. Accordingly, at June 30, 2002, no liability has been recorded in the County's financial statements. As of June 30, 2002, settled claims have not exceeded the risk pool or reinsurance company coverage since the pool's inception.

Members agree to continue membership in the Pool for a period of not less than one full year. After such period, a member who has given 60 days' prior written notice may

withdraw from the Pool. Upon withdrawal, payments for all claims and claims expenses become the sole responsibility of the withdrawing member, regardless of whether a claim was incurred or reported prior to the member's withdrawal. Members withdrawing within the first six years of membership may receive a partial refund of their capital contributions. If a member withdraws after the sixth year, the member is refunded 100 percent of its capital contributions, however, the refund is reduced by an amount equal to the annual operating contribution which the withdrawing member would have made for the one-year period following withdrawal.

The County also carries commercial insurance purchased from other insurers for coverage associated with workers compensation and employee blanket bond in the amount of \$500,000 and \$100,000, respectively. County assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

(10) Changes in Enterprise Fund Contributed Capital

A summary of changes in contributed capital for the year ended June 30, 2002 is as follows:

Balance beginning of year, as restated (note 13)	\$ 423,982
Deletions:	
Depreciation on assets acquired with contributed capital	<u>(18,327)</u>
Balance end of year	<u>\$ 405,655</u>

(11) Deficit Retained Earnings Balance

The Enterprise, Rock Creek Marina Fund had a deficit retained earnings balance of \$109,770 at June 30, 2002. The County is investigating alternatives to eliminate this deficit.

(12) Prospective Accounting Change

The Governmental Accounting Standards Board has issued Statement Number 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, Statement Number 37, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments; Omnibus, and Statement Number 38, Certain Financial Statement Note Disclosures. These statements will be implemented for the fiscal year ending June 30, 2003. The effects are expected to significantly impact the presentation of governmental financial statements in the year of implementation. The revised requirements include using the economic resources measurement focus and full accrual accounting. Also, the revised minimum reporting requirements include Management's Discussion and Analysis to introduce the basic financial statements and to provide an analytical overview of the financial activities.

(13) Restatement of Beginning Balance

The beginning retained earnings (deficit) balance of the Enterprise, Rock Creek Marina Fund has been retroactively restated to include property and equipment of \$191,230, less accumulated depreciation of \$31,930 that was not previously reported. The effects of this adjustment on retained earnings, contributed capital and property and equipment are as follows:

	Retained Earnings (Deficit)	Contributed Capital	Property and Equipment
Beginning balance, as previously reported	\$ (128,374)	282,854	154,617
Adjustment to add property and equipment not previously reported	<u>18,172</u>	<u>141,128</u>	<u>159,300</u>
Beginning balance, as restated	<u>\$ (110,202)</u>	<u>423,982</u>	<u>313,917</u>

Clinton County

Supplemental Information

Clinton County

Clinton County

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Year ended June 30, 2002

Revenues:

Property and other County tax:

Property tax	\$ 4,639,701	
Local option sales tax	463,653	
Gaming wager tax	144,940	
Utility tax replacement excise tax	364,406	
Other	23,514	\$ 5,636,214

Interest and penalty on property tax		140,436
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Intergovernmental:

State shared revenues:

Franchise tax	67,874	
Other	1,950	
	<u>69,824</u>	

State grants and reimbursements including indirect federal funding:

Home care aid grant	203,347	
Human services administrative reimbursement	98,982	
Child support enforcement	251,796	
Other	127,451	
	<u>681,576</u>	

State tax replacements:

State tax credits	451,350	
State allocation	156,521	
	<u>607,871</u>	

Direct federal grants and entitlements:

Other	91,470	
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Contributions and reimbursements from other governmental units:

Contract law enforcement	105,784	
Other	431,340	
	<u>537,124</u>	

Payments in lieu of taxes	<u>1,000</u>	1,988,865
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Schedule 1

Clinton County

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Year ended June 30, 2002

Revenues (continued):		
Licenses and permits		50,413
Charges for service:		
Office fees and collections	533,642	
Auto license, use tax and mailing	325,326	
Miscellaneous	63,375	922,343
Use of money and property:		
Interest on investments	482,872	
Miscellaneous	84,762	567,634
Fines, forfeitures, and defaults		1,542
Miscellaneous:		
Contributions and donations from private sources	3,795	
Miscellaneous	73,358	77,153
Total revenues		9,384,600
Expenditures:		
Operating:		
Public safety		4,791,356
Court services		124,388
Physical health and education		600,551
Social services		779,633
County environment		744,362
State and local government services		748,843
Interprogram services		2,218,739
Capital projects		1,721,518
Total expenditures		11,729,390
Deficiency of revenues under expenditures		(2,344,790)

Clinton County

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Year ended June 30, 2002

Other financing sources (uses):		
Sale of general fixed assets		15,552
Operating transfers out:		
Special Revenue:		
Secondary Roads	(94,880)	
Expendable Trust:		
Conservation Land Acquisition	(23,646)	(118,526)
Total other financing sources (uses)		<u>(102,974)</u>
Deficiency of revenues and other financing sources under expenditures and other financing uses		(2,447,764)
Fund balance beginning of year		<u>8,220,710</u>
Fund balance end of year		<u><u>\$ 5,772,946</u></u>

See accompanying independent auditor's report.

Schedule 2

Clinton County

General Fund

Statement of Expenditures

Year ended June 30, 2002

Public Safety Service Area:

Law enforcement:

Uniformed patrol services	\$ 1,167,053	
Investigations	269,994	
Contract law enforcement	8,038	
Law enforcement communication	551,771	
Adult correction services	1,279,132	
Administration	415,863	
	<u>3,691,851</u>	

Legal services:

Criminal prosecution	673,290	
Medical examinations	88,775	
Child support recovery	232,814	
	<u>994,879</u>	

Emergency services:

Emergency management	<u>104,626</u>	\$ 4,791,356
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Court Services Service Area:

Assistance to district court system:

Physical operations	7,669	
Research and other assistance	5,515	
Bailiff services	8,550	
	<u>21,734</u>	

Court proceedings:

Juries and witnesses	4,420	
Court costs	28,121	
Service of civil papers	937	
	<u>33,478</u>	

Juvenile justice administration:

Court-appointed attorneys and court costs for juveniles	<u>69,176</u>	124,388
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Clinton County

General Fund

Statement of Expenditures

Year ended June 30, 2002

Physical Health and Education Service Area:

Physical health services:

Personal and family health services	309,184
Communicable disease prevention and control services	29,338
Sanitation	159,854
Health administration	35,651
	<u>534,027</u>

Educational services:

Historic preservation	24,024
Fair and 4-H clubs	35,000
Other educational services	7,500
	<u>66,524</u>

600,551

Social Services Service Area:

Services to the poor:

Administration	413,586
General welfare services	61,886
	<u>475,472</u>

Services to military veterans:

Administration	40,603
General services to veterans	7,862
	<u>48,465</u>

Children and family services:

Youth guidance	152,680
Family protection services	27,000
	<u>179,680</u>

Services to other adults:

Services to the elderly	18,737
Other social services	6,000
	<u>24,737</u>

Chemical dependency:

Treatment services	38,014
Preventive services	13,265
	<u>51,279</u>

779,633

Schedule 2

Clinton County

General Fund

Statement of Expenditures

Year ended June 30, 2002

County Environment Service Area:

Environmental quality:

Natural resources conservation	3,500	
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Conservation and recreation services:

Administration	136,262	
----------------	---------	--

Maintenance and operations	482,075	
----------------------------	---------	--

Recreation and environment education services	14,775	
---	--------	--

	<u>633,112</u>	
--	----------------	--

Animal control:

Animal shelter	5,000	
----------------	-------	--

County development:

Land use and building controls	28,750	
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Economic development	74,000	
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	<u>102,750</u>	
--	----------------	--

744,362

State and Local Government Services Service Area:

Representation services:

Elections administration	134,373	
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Local elections	31,340	
-----------------	--------	--

Township officials	4,364	
--------------------	-------	--

	<u>170,077</u>	
--	----------------	--

State administrative services:

Motor vehicle registrations and licensing	333,042	
---	---------	--

Recording of public documents	245,724	
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	<u>578,766</u>	
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748,843

Interprogram Services Service Area:

Policy and administration:

General County management	193,090	
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Administrative management services	268,997	
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Treasury management services	247,321	
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Other policy and administration	54,995	
---------------------------------	--------	--

	<u>764,403</u>	
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Clinton County

General Fund

Statement of Expenditures

Year ended June 30, 2002

Interprogram Services Service Area (continued):

Central services:

General services

788,688

Data processing services

384,846

1,173,534

Risk management services:

Tort liability

113,633

Safety of the workplace

153,669

Fidelity of public officials

1,960

Unemployment compensation

11,540

280,802

2,218,739

Capital Projects Service Area:

Other capital projects:

Courthouse renovation

1,721,518

Total

\$11,729,390

See accompanying independent auditor's report.

Clinton County
Special Revenue Funds
Combining Balance Sheet
June 30, 2002

	Rural Services	Secondary Roads	Juvenile Intervention	Resource Enhancement and Protection
Assets				
Cash and pooled investments	\$ 304,465	2,450,285	-	12,845
Receivables:				
Property tax:				
Delinquent	2,629	-	-	-
Succeeding year	888,000	-	-	-
Accounts	-	-	-	-
Due from other funds	-	15,198	-	-
Due from other governments	-	556,838	7,352	-
Inventories	-	284,721	-	-
Total assets	\$ 1,195,094	3,307,042	7,352	12,845
Liabilities and Fund Equity				
Liabilities:				
Accounts payable	\$ 1,578	216,101	7,352	-
Salaries and benefits payable	1,954	23,692	-	-
Due to other funds	13,360	-	-	-
Due to other governments	-	594	-	747
Deferred revenue:				
Succeeding year property tax	888,000	-	-	-
Other	2,555	-	-	-
Compensated absences	1,024	30,786	-	-
Total liabilities	908,471	271,173	7,352	747
Fund equity:				
Fund balances:				
Reserved for inventories	-	284,721	-	-
Unreserved, undesignated	286,623	2,751,148	-	12,098
Total fund equity	286,623	3,035,869	-	12,098
Total liabilities and fund equity	\$ 1,195,094	3,307,042	7,352	12,845

See accompanying independent auditor's report.

County Recorder's Records Management	Seized Property	Drainage Districts	Commissary	Miscellaneous Grants	Mental Health	Total
24,236	13,946	14,481	13,684	268	1,574,535	4,408,745
-	-	-	-	-	9,995	12,624
-	-	-	-	-	2,921,000	3,809,000
-	-	-	1,649	-	20	1,669
924	-	-	-	-	-	16,122
-	-	-	-	12,992	102,928	680,110
-	-	-	-	-	-	284,721
25,160	13,946	14,481	15,333	13,260	4,608,478	9,212,991
-	16	5,984	295	12,992	548,915	793,233
-	-	-	-	-	14,182	39,828
-	-	-	-	-	-	13,360
-	-	-	-	-	229,841	231,182
-	-	-	-	-	2,921,000	3,809,000
-	-	-	-	-	9,724	12,279
-	-	-	-	-	9,912	41,722
-	16	5,984	295	12,992	3,733,574	4,940,604
-	-	-	-	-	-	284,721
25,160	13,930	8,497	15,038	268	874,904	3,987,666
25,160	13,930	8,497	15,038	268	874,904	4,272,387
25,160	13,946	14,481	15,333	13,260	4,608,478	9,212,991

Clinton County

Special Revenue Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Year ended June 30, 2002

	Rural Services	Secondary Roads	Juvenile Intervention	Resource Enhancement and Protection
Revenues:				
Property and other County tax:				
Property tax	\$763,131	-	-	-
Local option sales tax	-	789,462	-	-
Utility tax replacement excise tax	35,098	-	-	-
Other	529	-	-	-
	<u>798,758</u>	<u>789,462</u>	<u>-</u>	<u>-</u>
Intergovernmental:				
State shared revenues:				
Road use tax allocation	-	2,884,016	-	-
State grants and reimbursements including indirect federal funding:				
Social services block grant	-	-	-	-
Mental health/mental retardation allocation	-	-	-	-
Resource enhancement and protection program	-	-	-	17,687
Other	-	193,717	30,217	-
	<u>-</u>	<u>193,717</u>	<u>30,217</u>	<u>17,687</u>
State tax replacements:				
State tax credits	61,381	-	-	-
State allocation	83,710	-	-	-
Mental health property tax relief	-	-	-	-
Other	-	-	-	-
	<u>145,091</u>	<u>-</u>	<u>-</u>	<u>-</u>
Direct federal grants and entitlements:				
Medicare and medicaid	-	-	-	-
Other	-	-	7,352	-
	<u>-</u>	<u>-</u>	<u>7,352</u>	<u>-</u>
Contributions and reimbursements from other governmental units	-	-	-	-
	<u>145,091</u>	<u>3,077,733</u>	<u>37,569</u>	<u>17,687</u>

County Recorder's Records Management	Seized Property	Drainage Districts	Commissary	Miscellaneous Grants	Mental Health	Total
-	-	-	-	-	1,841,872	2,605,003
-	-	-	-	-	-	789,462
-	-	-	-	-	144,642	179,740
-	-	-	-	-	5,580	6,109
-	-	-	-	-	1,992,094	3,580,314
-	-	-	-	-	-	2,884,016
-	-	-	-	-	247,261	247,261
-	-	-	-	-	151,126	151,126
-	-	-	-	-	-	17,687
-	-	-	-	32,210	100	256,244
-	-	-	-	32,210	398,487	672,318
-	-	-	-	-	179,152	240,533
-	-	-	-	-	-	83,710
-	-	-	-	-	1,664,624	1,664,624
-	-	-	-	-	69,172	69,172
-	-	-	-	-	1,912,948	2,058,039
-	-	-	-	-	933,294	933,294
-	-	-	-	33,750	-	41,102
-	-	-	-	33,750	933,294	974,396
-	-	-	-	-	884	884
-	-	-	-	65,960	3,245,613	6,589,653

Clinton County
Special Revenue Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Year ended June 30, 2002

	Rural Services	Secondary Roads	Juvenile Intervention	Resource Enhancement and Protection
Revenues (continued):				
Licenses and permits	-	3,915	-	-
Charges for service	-	187	-	-
Use of money and property:				
Interest on investments	-	-	-	99
Commissary fees	-	-	-	-
	-	-	-	99
Miscellaneous:				
Seized property	-	-	-	-
Sale of material and equipment	-	8,446	-	-
Miscellaneous	-	7,349	-	-
	-	15,795	-	-
Total revenues	943,849	3,887,092	37,569	17,786
Expenditures:				
Operating:				
Public Safety Service Area:				
Law enforcement:				
Adult correction services	-	-	-	-
Administration	-	-	-	-
	-	-	-	-
Legal services:				
Criminal prosecution	-	-	-	-
	-	-	-	-
Court Services Service Area:				
Juvenile justice administration:				
Juvenile representation services	-	-	37,569	-
Physical Health and Education Service Area:				
Educational services:				
Libraries	66,350	-	-	-

County Recorder's Records Management	Seized Property	Drainage Districts	Commissary	Miscellaneous Grants	Mental Health	Total
-	-	-	-	-	-	3,915
13,004	-	-	-	-	59,675	72,866
297	-	340	-	-	-	736
-	-	-	11,513	-	-	11,513
297	-	340	11,513	-	-	12,249
-	1,294	-	-	-	-	1,294
-	-	-	-	-	-	8,446
-	-	-	-	269	1,194	8,812
-	1,294	-	-	269	1,194	18,552
13,301	1,294	340	11,513	66,229	5,298,576	10,277,549
-	-	-	6,567	-	-	6,567
-	200	-	-	-	-	200
-	200	-	6,567	-	-	6,767
-	2,043	-	-	-	-	2,043
-	2,243	-	6,567	-	-	8,810
-	-	-	-	-	-	37,569
-	-	-	-	-	-	66,350

Clinton County

Special Revenue Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Year ended June 30, 2002

	Rural Services	Secondary Roads	Juvenile Intervention	Resource Enhancement and Protection
Expenditures (continued):				
Operating:				
Mental Health Service Area:				
Persons with mental health problems - mental illness:				
Information and education	-	-	-	-
General administration	-	-	-	-
Personal and environmental support	-	-	-	-
Treatment services	-	-	-	-
Licensed or certified living arrangements	-	-	-	-
Institutional, hospital, and commitment services	-	-	-	-
	-	-	-	-
Persons with chronic mental illness:				
Information and education services	-	-	-	-
General administration	-	-	-	-
Coordination services	-	-	-	-
Personal and environmental support	-	-	-	-
Treatment services	-	-	-	-
Vocational and day services	-	-	-	-
Licensed or certified living arrangements	-	-	-	-
Institutional, hospital, and commitment services	-	-	-	-
	-	-	-	-
Persons with mental retardation:				
Information and education services	-	-	-	-
General administration	-	-	-	-
Coordination services	-	-	-	-
Personal and environmental support	-	-	-	-
Treatment services	-	-	-	-
Vocational and day services	-	-	-	-
Licensed or certified living arrangements	-	-	-	-
Institutional, hospital, and commitment services	-	-	-	-
	-	-	-	-

County Recorder's Records Management	Seized Property	Drainage Districts	Commissary	Miscellaneous Grants	Mental Health	Total
-	-	-	-	-	187,485	187,485
-	-	-	-	-	18,877	18,877
-	-	-	-	-	459	459
-	-	-	-	-	366,740	366,740
-	-	-	-	-	820	820
-	-	-	-	-	86,103	86,103
-	-	-	-	-	660,484	660,484
-	-	-	-	-	28,988	28,988
-	-	-	-	-	64,182	64,182
-	-	-	-	-	303,165	303,165
-	-	-	-	-	211,393	211,393
-	-	-	-	-	150,423	150,423
-	-	-	-	-	97,851	97,851
-	-	-	-	-	638,318	638,318
-	-	-	-	-	174,711	174,711
-	-	-	-	-	1,669,031	1,669,031
-	-	-	-	-	240	240
-	-	-	-	-	109,550	109,550
-	-	-	-	-	631,735	631,735
-	-	-	-	-	125,391	125,391
-	-	-	-	-	11,116	11,116
-	-	-	-	-	525,700	525,700
-	-	-	-	-	2,204,185	2,204,185
-	-	-	-	-	95,428	95,428
-	-	-	-	-	3,703,345	3,703,345

Clinton County

Special Revenue Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Year ended June 30, 2002

	Rural Services	Secondary Roads	Juvenile Intervention	Resource Enhancement and Protection
Expenditures (continued):				
Operating:				
Mental Health Service Area:				
Persons with other developmental disabilities:				
Information and education services	-	-	-	-
General Administration	-	-	-	-
Coordination services	-	-	-	-
Personal and environmental support	-	-	-	-
Treatment services	-	-	-	-
Vocational and day services	-	-	-	-
Licensed or certified living arrangements	-	-	-	-
Institutional, hospital, and commitment services	-	-	-	-
	-	-	-	-
	-	-	-	-
County Environment Service Area:				
Environmental quality:				
Weed eradication	134,231	-	-	-
Solid waste disposal	24,500	-	-	-
	158,731	-	-	-
Conservation and recreation services:				
Maintenance and operations	-	-	-	9,917
	158,731	-	-	9,917
Roads and Transportation Service Area:				
Secondary roads administration and engineering:				
Administration	-	187,232	-	-
Engineering	-	212,795	-	-
	-	400,027	-	-

County Recorder's Records Management	Seized Property	Drainage Districts	Commissary	Miscellaneous Grants	Mental Health	Total
-	-	-	-	-	285	285
-	-	-	-	-	4,388	4,388
-	-	-	-	-	10,429	10,429
-	-	-	-	-	6,285	6,285
-	-	-	-	-	1,165	1,165
-	-	-	-	-	40,484	40,484
-	-	-	-	-	40,424	40,424
-	-	-	-	-	2,173	2,173
-	-	-	-	-	105,633	105,633
-	-	-	-	-	6,138,493	6,138,493
-	-	-	-	-	-	134,231
-	-	-	-	-	-	24,500
-	-	-	-	-	-	158,731
-	-	-	-	-	-	9,917
-	-	-	-	-	-	168,648
-	-	-	-	-	-	187,232
-	-	-	-	-	-	212,795
-	-	-	-	-	-	400,027

Clinton County
Special Revenue Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Year ended June 30, 2002

	Rural Services	Secondary Roads	Juvenile Intervention	Resource Enhancement and Protection
Expenditures (continued):				
Operating:				
Roads and Transportation Service Area:				
Roadway maintenance:				
Bridges and culverts	-	74,164	-	-
Roads	-	1,729,066	-	-
Snow and ice control	-	141,301	-	-
Traffic controls	-	149,011	-	-
Road clearing	-	197,936	-	-
	-	2,291,478	-	-
General roadway:				
Equipment	-	722,745	-	-
Equipment operations	-	591,465	-	-
Tools, materials, and supplies	-	110,246	-	-
Real estate and buildings	-	2,999	-	-
	-	1,427,455	-	-
	-	4,118,960	-	-
State and Local Government Services Service Area:				
State administrative services:				
Recording of public documents	-	-	-	-
Non-program Service Area:				
Drainage district construction and repair	-	-	-	-
Other non-program current expenditures:				
Pass-through grants to subrecipients	-	-	-	-
	-	-	-	-
Capital Projects Service Area:				
Roadway construction	-	245,304	-	-
Total expenditures	225,081	4,364,264	37,569	9,917
Excess (deficiency) of revenues over (under) expenditures	718,768	(477,172)	-	7,869

County Recorder's Records Management	Seized Property	Drainage Districts	Commissary	Miscellaneous Grants	Mental Health	Total
-	-	-	-	-	-	74,164
-	-	-	-	-	-	1,729,066
-	-	-	-	-	-	141,301
-	-	-	-	-	-	149,011
-	-	-	-	-	-	197,936
-	-	-	-	-	-	2,291,478
-	-	-	-	-	-	722,745
-	-	-	-	-	-	591,465
-	-	-	-	-	-	110,246
-	-	-	-	-	-	2,999
-	-	-	-	-	-	1,427,455
-	-	-	-	-	-	4,118,960
10,528	-	-	-	-	-	10,528
-	-	29,327	-	-	-	29,327
-	-	-	-	68,538	-	68,538
-	-	29,327	-	68,538	-	97,865
-	-	-	-	-	-	245,304
10,528	2,243	29,327	6,567	68,538	6,138,493	10,892,527
2,773	(949)	(28,987)	4,946	(2,309)	(839,917)	(614,978)

Clinton County
Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year ended June 30, 2002

	Rural Services	Secondary Roads	Juvenile Intervention	Resource Enhancement and Protection
Other financing sources (uses):				
Sale of general fixed assets	4,050	3,629	-	-
Operating transfers in (out):				
General	-	94,880	-	-
Special Revenue:				
Rural Services	-	602,831	-	-
Secondary Roads	(602,831)	-	-	-
Total other financing sources (uses)	<u>(598,781)</u>	<u>701,340</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	119,987	224,168	-	7,869
Fund balances beginning of year	166,636	2,772,182	-	4,229
Increase in reserve for inventories	-	39,519	-	-
Fund balances end of year	<u>\$ 286,623</u>	<u>3,035,869</u>	<u>-</u>	<u>12,098</u>

See accompanying independent auditor's report.

County Recorder's Records Management	Seized Property	Drainage Districts	Commissary	Miscellaneous Grants	Mental Health	Total
-	-	-	-	-	-	7,679
-	-	-	-	-	-	94,880
-	-	-	-	-	-	602,831
-	-	-	-	-	-	(602,831)
-	-	-	-	-	-	102,559
2,773	(949)	(28,987)	4,946	(2,309)	(839,917)	(512,419)
22,387	14,879	37,484	10,092	2,577	1,714,821	4,745,287
-	-	-	-	-	-	39,519
25,160	13,930	8,497	15,038	268	874,904	4,272,387

Schedule 5

Clinton County
Trust and Agency Funds
Combining Balance Sheet
June 30, 2002

	Non-expendable					
	Trust Fund - Vietnam Veterans Memorial	Expendable Trust Funds			Total	
		Conservation Land Acquisition	Veterans Memorial	Agency		
Assets						
Cash and pooled investments:						
County Treasurer	\$	10,047	16,711	5,000	3,366,485	3,398,243
Other County officials		-	-	-	106,541	106,541
Receivables:						
Property tax:						
Delinquent		-	-	-	189,201	189,201
Succeeding year		-	-	-	39,252,000	39,252,000
Accounts		-	-	-	60,254	60,254
Accrued interest		34	-	-	-	34
Special assessments:						
Delinquent		-	-	-	517,474	517,474
Succeeding year		-	-	-	208,000	208,000
Due from other funds		-	4,056	-	-	4,056
Total assets	\$	10,081	20,767	5,000	43,699,955	43,735,803
Liabilities and Fund Equity						
Liabilities:						
Accounts payable	\$	-	-	-	10,440	10,440
Salaries and benefits payable		-	-	-	7,521	7,521
Due to other funds		-	-	-	98,345	98,345
Due to other governments		-	-	-	43,553,587	43,553,587
Trusts payable		-	-	-	17,736	17,736
Compensated absences		-	-	-	12,326	12,326
Total liabilities		-	-	-	43,699,955	43,699,955
Fund equity:						
Reserved for Vietnam Veterans						
Memorial		5,000	-	-	-	5,000
Unreserved, undesignated		5,081	20,767	5,000	-	30,848
Total fund equity		10,081	20,767	5,000	-	35,848
Total liabilities and fund equity	\$	10,081	20,767	5,000	43,699,955	43,735,803

See accompanying independent auditor's report.

Clinton County
Expendable Trust Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Year ended June 30, 2002

	Conservation Land Acquisition	Veterans Memorial	Total
Revenues:			
Intergovernmental:			
Contributions and reimbursements from other governmental units	\$ 211,559	-	211,559
Miscellaneous:			
Contributions and donations from private sources	-	12,067	12,067
Total revenues	211,559	12,067	223,626
Expenditures:			
Interprogram Services Service Area:			
Policy and administration:			
Other policy and administration	-	7,067	7,067
Capital Projects Service Area:			
Conservation land acquisition and development	228,183	-	228,183
Total expenditures	228,183	7,067	235,250
Excess (deficiency) of revenues over (under) expenditures	(16,624)	5,000	(11,624)
Other financing sources:			
Operating transfers in:			
General	23,646	-	23,646
Excess of revenues and other financing sources over expenditures	7,022	5,000	12,022
Fund balances beginning of year	13,745	-	13,745
Fund balances end of year	\$ 20,767	5,000	25,767

See accompanying independent auditor's report.

Clinton County
Agency Funds
Combining Balance Sheet
June 30, 2002

	County Recorder	County Sheriff	Agricultural Extension Education	County Assessor
Assets				
Cash and pooled investments:				
County Treasurer	\$ -	-	1,988	713,713
Other County officials	41,945	64,596	-	-
Receivables:				
Property tax:				
Delinquent	-	-	529	775
Succeeding year	-	-	114,000	315,000
Accounts	3,492	-	-	381
Special assessments:				
Delinquent	-	-	-	-
Succeeding year	-	-	-	-
Total assets	\$ 45,437	64,596	116,517	1,029,869
Liabilities				
Liabilities:				
Accounts payable	\$ -	-	-	-
Salaries and benefits payable	-	-	-	3,097
Due to other funds	27,729	46,869	-	-
Due to other governments	17,708	16	116,517	1,019,591
Trusts payable	-	17,711	-	-
Compensated absences	-	-	-	7,181
Total liabilities	\$ 45,437	64,596	116,517	1,029,869

City Assessor	Schools	Community Colleges	Corporations	Townships	Auto License and Use Tax
650,790	392,605	16,625	247,904	6,956	746,271
-	-	-	-	-	-
2,046	106,191	4,344	74,241	1,039	-
331,000	22,813,000	1,001,000	14,309,000	363,000	-
99	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
983,935	23,311,796	1,021,969	14,631,145	370,995	746,271
1,103	-	-	-	-	-
2,699	-	-	-	-	-
-	-	-	-	-	23,747
978,143	23,311,796	1,021,969	14,631,145	370,995	722,524
-	-	-	-	-	-
1,990	-	-	-	-	-
983,935	23,311,796	1,021,969	14,631,145	370,995	746,271

Clinton County
Agency Funds
Combining Balance Sheet
June 30, 2002

	Brucellosis and Tuberculosis Eradication	Iowa Empowerment	Drainage Districts
Assets			
Cash and pooled investments:			
County Treasurer	135	93,461	5,303
Other County officials	-	-	-
Receivables:			
Property tax:			
Delinquent	36	-	-
Succeeding year	6,000	-	-
Accounts	-	-	-
Special assessments:			
Delinquent	-	-	-
Succeeding year	-	-	-
Total assets	6,171	93,461	5,303
Liabilities			
Liabilities:			
Accounts payable	-	4,466	-
Salaries and benefits payable	-	-	-
Due to other funds	-	-	-
Due to other governments	6,171	88,995	5,303
Trusts payable	-	-	-
Compensated absences	-	-	-
Total liabilities	6,171	93,461	5,303

See accompanying independent auditor's report.

Emergency Management Services	Special Assessments	E911 Service Board	Advanced Tax	Payroll Clearing	Total
28,252	78,440	366,941	17,076	25	3,366,485
-	-	-	-	-	106,541
-	-	-	-	-	189,201
-	-	-	-	-	39,252,000
-	-	56,196	86	-	60,254
-	517,474	-	-	-	517,474
-	208,000	-	-	-	208,000
28,252	803,914	423,137	17,162	25	43,699,955
1,320	-	3,551	-	-	10,440
1,725	-	-	-	-	7,521
-	-	-	-	-	98,345
22,052	803,914	419,586	17,162	-	43,553,587
-	-	-	-	25	17,736
3,155	-	-	-	-	12,326
28,252	803,914	423,137	17,162	25	43,699,955

Clinton County

Agency Funds

Combining Statement of Changes in Assets and Liabilities

Year ended June 30, 2002

	County Offices		Agricultural
	County	County	Extension
	Recorder	Sheriff	Education
Assets and Liabilities			
Balances beginning of year	\$ 57,465	465,194	115,684
Additions:			
Property and other County tax	-	-	106,458
E911 surcharge	-	-	-
State tax credits	-	-	9,482
State allocation	-	-	-
Office fees and collections	571,044	207,403	-
Auto licenses, use tax and postage	-	-	-
Assessments	-	-	-
Trusts	-	477,293	-
Miscellaneous	-	-	-
Total additions	571,044	684,696	115,940
Deductions:			
Agency Remittances:			
To other funds	348,922	197,636	-
To other governments	234,150	336	115,107
Trusts paid out	-	887,322	-
Total deductions	583,072	1,085,294	115,107
Balances end of year	\$ 45,437	64,596	116,517

County Assessor	City Assessor	Schools	Community Colleges	Corporations	Townships	Auto License and Use Tax
920,679	864,466	22,250,284	966,604	14,109,472	345,929	784,224
279,129	315,562	21,621,841	959,679	13,880,479	347,008	-
-	-	-	-	-	-	-
24,652	24,636	1,836,395	77,867	1,086,355	24,889	-
4,928	4,326	-	-	-	-	-
2,958	2,790	-	-	-	-	-
-	-	-	-	-	-	9,555,051
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	260	14,615	-	3,829	-	-
311,667	347,574	23,472,851	1,037,546	14,970,663	371,897	9,555,051
-	-	-	-	-	-	297,561
202,477	228,105	22,411,339	982,181	14,448,990	346,831	9,295,443
-	-	-	-	-	-	-
202,477	228,105	22,411,339	982,181	14,448,990	346,831	9,593,004
1,029,869	983,935	23,311,796	1,021,969	14,631,145	370,995	746,271

Clinton County
Agency Funds
Combining Statement of Changes in Assets and Liabilities
Year ended June 30, 2002

	Brucellosis and Tuberculosis Eradication	Iowa Empowerment	Drainage Districts
Assets and Liabilities			
Balances beginning of year	7,179	159,837	5,575
Additions:			
Property and other County tax	6,172	-	-
E911 surcharge	-	-	-
State tax credits	645	-	-
State allocation	-	-	-
Office fees and collections	-	-	-
Auto licenses, use tax and postage	-	-	-
Assessments	-	-	-
Trusts	-	-	-
Miscellaneous	-	371,412	53
Total additions	6,817	371,412	53
Deductions:			
Agency Remittances:			
To other funds	-	-	-
To other governments	7,825	-	325
Trusts paid out	-	437,788	-
Total deductions	7,825	437,788	325
Balances end of year	6,171	93,461	5,303

See accompanying independent auditor's report.

Emergency Management Services	Special Assessments	E911 Service Board	Advance Tax	Payroll Clearing	Monies and Credits State Share	Refund Warrant	Total
47,925	851,283	360,146	5,952	75	-	-	42,317,973
-	-	-	-	-	-	-	37,516,328
-	-	286,759	-	-	-	-	286,759
-	-	-	-	-	-	-	3,084,921
-	-	-	-	-	-	-	9,254
-	-	-	-	-	-	-	784,195
-	-	-	-	-	-	-	9,555,051
-	395,079	-	-	-	-	-	395,079
-	-	-	-	-	-	-	477,293
125,978	-	10,206	665,104	-	6,382	6,190	1,204,029
125,978	395,079	296,965	665,104	-	6,382	6,190	53,312,909
-	12,277	-	-	-	-	-	856,396
145,651	430,171	233,974	653,894	-	6,382	-	49,743,181
-	-	-	-	50	-	6,190	1,331,350
145,651	442,448	233,974	653,894	50	6,382	6,190	51,930,927
28,252	803,914	423,137	17,162	25	-	-	43,699,955

Schedule 9**Clinton County****Comparison of Taxes and Intergovernmental Revenues**

	Years ended June 30,			
	2002	2001	2000	1999
Taxes:				
Property and tax	\$ 7,244,704	6,985,783	7,489,880	7,543,001
Local option sales tax	1,253,115	1,013,936	999,395	987,736
Gaming wager tax	144,940	135,779	134,695	138,380
Utility tax replacement excise tax	544,146	514,074	-	-
Other	29,623	11,198	15,968	18,392
	<u>9,216,528</u>	<u>8,660,770</u>	<u>8,639,938</u>	<u>8,687,509</u>
Intergovernmental:				
State shared revenues:				
Road use tax allocation	2,884,016	2,765,606	2,805,823	2,739,443
Other	69,824	47,286	57,632	80,577
State grants and reimbursements including indirect federal funding:				
Social services block grant	247,261	246,527	246,851	240,488
Other	1,106,633	1,059,324	1,234,212	1,233,634
State tax replacements:				
State tax credits	691,883	812,864	615,851	623,437
State allocation	240,231	251,010	251,734	251,435
Mental health property tax relief	1,664,624	1,664,625	1,664,625	1,664,625
Other	69,172	242,566	253,012	234,922
Direct federal grants and entitlements:				
Medicare and medicaid	933,294	623,867	521,808	611,265
Public safety partnership and community policing grant	-	-	-	42,402
Other	132,572	153,546	44,559	21,358
Contributions and reimbursements from other governmental units	749,567	436,863	513,771	461,765
Payments in lieu of taxes	1,000	1,129	1,287	1,074
	<u>8,790,077</u>	<u>8,305,213</u>	<u>8,211,165</u>	<u>8,206,425</u>
Total	<u>\$ 18,006,605</u>	<u>16,965,983</u>	<u>16,851,103</u>	<u>16,893,934</u>

See accompanying independent auditor's report.

Clinton County
Schedule of Expenditures of Federal Awards
Year ended June 30, 2002

Grantor/Program	CFDA Number	Agency or Pass-through Number	Program Expenditures
Indirect:			
U.S. Department of Agriculture:			
Iowa Department of Human Services:			
Human Services Administrative			
Reimbursements:			
State Administrative Matching			
Grants for Food Stamp Program	10.561		22,489
U.S. Department of Health and Human Services:			
Iowa Department of Human Services:			
Human Services Administrative Reimbursements:			
Temporary Assistance for Needy Families	93.558		34,997
Refugee and Entrant Assistance-			
State Administred Programs	93.566		151
Child Care Mandatory and Matching Funds			
of the Child Care and Development Fund	93.596		4,581
Foster Care - Title IV-E	93.658		11,820
Adoption Assistance	93.659		4,022
Medical Assistance Program	93.778		35,657
Social Services Block Grant	93.667		23,000
Social Services Block Grant	93.667		247,261
			270,261
Iowa Department of Public Health:			
Rural Health Outreach	93.912A	588 2 CO 23	8,652
Cooperative Agreements for State-Based			
Comprehensive Breast and Cervical			
Cancer Early Detection Programs	93.919	588 1 NB 09	3,360
Cooperative Agreements for State-Based			
Comprehensive Breast and Cervical			
Cancer Early Detection Programs	93.919	588 2 NB 09	25,220
			28,580
U.S. Department of Justice:			
Iowa Department of Human Rights:			
Juvenile Justice and Delinquency			
Prevention - Allocation to States	16.540	JJYD-S01-18	10,917
Juvenile Justice and Delinquency			
Prevention - Allocation to States	16.540	JJYD-S02-18	26,652
			37,569

Schedule 10

Clinton County
Schedule of Expenditures of Federal Awards
Year ended June 30, 2002

Grantor/Program	CFDA Number	Agency or Pass-through Number	Program Expenditures
Indirect (continued):			
U.S. Department of Justice:			
Governor's Alliance on Substance Abuse:			
Iowa Department of Public Safety:			
Byrne Formula Grant Program	16.579	01D-1343	33,750
Byrne Formula Grant Program	16.579	01D-1344	12,188
			<u>45,938</u>
U.S. Department of Transportation:			
Iowa Department of Public Safety:			
Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants	20.601	02-410, Task 06	11,002
Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants	20.601	01-02, Task 01	1,986
			<u>12,988</u>
Federal Emergency Management Agency:			
Iowa Department of Public Defense:			
Emergency Management Division:			
Hazard Mitigation Grant	83.548	0996-0181	2,562
Emergency Management Performance Grants	83.552		25,156
Public Assistance Grants	83.544	FEMA-1367-IA-PA	1,542
Public Assistance Grants	83.544	FEMA-1420-IA-PA	176,046
			<u>177,588</u>
Total			<u>\$ 723,011</u>

Basis of Presentation – The Schedule of Expenditures of Federal Awards includes the federal grant activity of Clinton County and is presented on the modified accrual basis of accounting. The information on this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation, of the general purpose financial statements.

See accompanying independent auditor's report.



**OFFICE OF AUDITOR OF STATE
STATE OF IOWA**

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**Independent Auditor's Report on Compliance
and on Internal Control over Financial Reporting**

To the Officials of Clinton County:

We have audited the general purpose financial statements of Clinton County, Iowa, as of and for the year ended June 30, 2002, and have issued our report thereon dated January 30, 2003. We conducted our audit in accordance with U.S. generally accepted auditing standards, Chapter 11 of the Code of Iowa, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Clinton County's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance that are required to be reported under Government Auditing Standards. However, we noted certain immaterial instances of non-compliance that are described in Part IV of the accompanying Schedule of Findings and Questioned Costs.

Comments involving statutory and other legal matters about the County's operations for the year ended June 30, 2002 are based exclusively on knowledge obtained from procedures performed during our audit of the general purpose financial statements of the County. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes. Prior year statutory comments have been resolved except for items IV-B-02 and IV-J-02.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Clinton County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted one matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect Clinton County's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in Part II of the accompanying Schedule of Findings and Questioned Costs.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur

and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we do not believe the reportable condition described above is a material weakness. Prior year reportable conditions have been resolved except for item II-A-02.

This report, a public record by law, is intended solely for the information and use of the officials, employees and citizens of Clinton County and other parties to whom Clinton County may report. This report is not intended to be and should not be used by anyone other than these specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of Clinton County during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.

WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

January 30, 2003



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

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Independent Auditor's Report on Compliance with Requirements
Applicable to Each Major Program and Internal Control over Compliance

To the Officials of Clinton County:

Compliance

We have audited the compliance of Clinton County, Iowa, with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to its major federal program for the year ended June 30, 2002. Clinton County's major federal program is identified in Part I of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of Clinton County's management. Our responsibility is to express an opinion on Clinton County's compliance based on our audit.

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards, Chapter 11 of the Code of Iowa, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. Those standards and provisions require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Clinton County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Clinton County's compliance with those requirements.

In our opinion, Clinton County complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2002.

Internal Control Over Compliance

The management of Clinton County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Clinton County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that non-compliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report, a public record by law, is intended solely for the information and use of the officials, employees and citizens of Clinton County and other parties to whom Clinton County may report, including federal awarding agencies and pass-through entities. This report is not intended to be and should not be used by anyone other than these specified parties.

WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

January 30, 2003

Clinton County
Schedule of Findings and Questioned Costs
Year ended June 30, 2002

Part I: Summary of the Independent Auditor's Results:

- (a) An unqualified opinion was issued on the financial statements.
- (b) A reportable condition in internal control over financial reporting was disclosed by the audit of the financial statements, which is not considered to be a material weakness.
- (c) The audit did not disclose any non-compliance which is material to the financial statements.
- (d) No material weaknesses in internal control over major programs were disclosed by the audit of the financial statements.
- (e) An unqualified opinion was issued on compliance with requirements applicable to each major program.
- (f) The audit did not disclose any audit findings which were required to be reported in accordance with Office of Management and Budget Circular A-133, Section .510(a).
- (g) The County's major program was CFDA Number 93.667 – Social Services Block Grant.
- (h) The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
- (i) Clinton County did qualify as a low-risk auditee.

Clinton County
Schedule of Findings and Questioned Costs
Year ended June 30, 2002

Part II: Findings Related to the General Purpose Financial Statements:

INSTANCES OF NON-COMPLIANCE:

No matters were reported.

REPORTABLE CONDITIONS:

II-A-02 County Recorder - The Recorder does not reconcile assets with liabilities each month.

Recommendation - Assets should be reconciled with liabilities at the end of each month.

Response - We will attempt to reconcile liabilities with assets at the end of each month.

Conclusion - Response accepted.

Clinton County
Schedule of Findings and Questioned Costs
Year ended June 30, 2002

Part III: Findings and Questioned Costs For Federal Awards:

INSTANCES OF NON-COMPLIANCE:

No matters were reported.

REPORTABLE CONDITIONS:

No material weaknesses in internal control over the major program were identified.

Clinton County
Schedule of Findings and Questioned Costs
Year ended June 30, 2002

Part IV: Other Findings Related to Required Statutory Reporting:

IV-A-02 Official Depositories – A resolution naming official depositories has been adopted by the Board of Supervisors. The maximum deposit amounts stated in the resolution were not exceeded during the year ended June 30, 2002, except for deposits for the Clinton County Treasurer in the DeWitt Bank & Trust on September 28, 2001. A new resolution was adopted by the Board of Supervisors on December 10, 2001.

IV-B-02 Certified Budget – Disbursements during the year ended June 30, 2002 did not exceed the amounts budgeted. However, disbursements in certain departments exceeded the amounts appropriated.

Recommendation – Chapter 331.434(6) of the Code of Iowa authorizes the Board of Supervisors, by resolution, to increase or decrease appropriations of one office or department by increasing or decreasing the appropriation of another office or department as long as the service area budget is not increased. Such increases or decreases should be made before disbursements are allowed to exceed the appropriation.

Response – Notice will be sent to all elected officials and department heads expressing the importance of not exceeding the budgeted and appropriated amounts in their respective budgets. The elected officials and department heads will also be instructed to notify the Board of Supervisors or the County Budget Director before expending any non-budgeted amounts.

Conclusion – Response accepted.

IV-C-02 Questionable Expenditures – No expenditures that we believe may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979 were noted.

IV-D-02 Travel Expense – No expenditures of County money for travel expenses of spouses of County officials or employees were noted.

IV-E-02 Business Transactions – No business transactions between the County and County officials or employees were noted.

IV-F-02 Bond Coverage – Surety bond coverage of County officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure that coverage is adequate for current operations.

IV-G-02 Board Minutes – No transactions were found that we believe should have been approved in the Board minutes but were not.

IV-H-02 Deposits and Investments – Except as noted above, no instances of non-compliance with the deposit and investment provisions of Chapter 12B and 12C of the Code of Iowa and the County's investment policy were noted.

Clinton County

Schedule of Findings and Questioned Costs

Year ended June 30, 2002

IV-I-02 Resource Enhancement and Protection Certification - The County properly dedicated property tax revenue to conservation purposes as required by Chapter 455A.19(1)(b) of the Code of Iowa in order to receive the additional REAP funds allocated in accordance with subsections (b)(2) and (b)(3).

IV-J-02 Code of Ordinances - The County has not compiled a code of ordinances containing all of the County ordinances in effect as required by Chapter 331.302(9) of the Code of Iowa.

Recommendation - The County should compile a code of ordinances containing all of the County ordinances in effect as required by Chapter 331.302(9) of the Code of Iowa.

Response - East Central Intergovernmental Association (ECIA) is currently working with the County Auditor's office and the Board of Supervisor's office to update and complete a Code of Ordinances and this should be completed by June 30, 2003.

Conclusion - Response accepted.

IV-K-02 County Extension Office - The County Extension Office is operated under the authority of Chapter 176A of the Code of Iowa and serves as an agency of the State of Iowa. This fund is administered by an extension council separate and distinct from County operations and, consequently, is not included in Exhibits A or B.

Disbursements during the year ended June 30, 2002, for the County Extension Office did not exceed the amount budgeted.

Publication of the notice of public hearing for the budget amendment was not published as required by Chapter 24.9 of the Code of Iowa.

Recommendation - Notice of the public hearing on the budget amendment must be published not less than ten nor more than twenty days before the hearing.

Response - We will comply with Chapter 24.9 with future publications.

Conclusion - Response accepted.

Clinton County

Staff

This audit was performed by:

Joe Marturello, CIA, Manager
Richard C. Brown, CGFM, Senior Auditor
Ted M. Wiegand, CPA, Senior Auditor
Beth A. Wichtendahl, CPA, Staff Auditor
Travis J. Bovy, Assistant Auditor

Andrew E. Nielsen, CPA
Deputy Auditor of State